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WESTERN EUROPE – CANADA – INTERNATIONAL ORGANIZATIONS

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Turkish Prime Minister Has Only a Slim
Chance of Winning Confidence Vote

The National Assembly has completed its debate on Prime Minister Demirel's new government program and scheduled a vote of confidence for April 12. Demirel's chances for success--always slim--have narrowed even further as a result of transfers and defections among the political parties supporting his right-wing Nationalist Front.

The most recent estimates give Demirel a maximum of 224 votes against 222 for the opposition. These figures include waverers on each side. Should the speaker of the National Assembly, a member of the left of center Republican Peoples Party, resign to vote against the front the vote could be a tie--and, thus, a loss for Demirel. Demirel's chances appear no better than even, although additional party shifts could change the picture again before the vote on Saturday.

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Should Demirel fail, Ecevit has offered two alternatives;

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- A minority government made up of the small Democratic Party and technocrats supported in parliament by the RPP until new elections can be held;
 - A "strong and lasting" government formed by the RPP provided it can increase its parliamentary strength.

2 | The RPP is now holds 190 seats as a result of party switches but it is unlikely that it could attract enough additional support to make an RPP government possible. The vaguely worded proposal appears to be yet another tactic designed to reassure those deputies who fear they would lose their seats in new elections and are therefore supporting Demirel.

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The Proposed NATO Summit Meeting: No Opposition,
But Some Reservations

None of the permanent representatives to NATO is explicitly opposed to a NATO summit meeting, but a few are skeptical that a summit would produce substantive results.

During a meeting on April 9, the ambassadors of Belgium, West Germany, Turkey, the UK and the US said they favored raising the ministerial meeting scheduled for May 29-30 to the heads of government level. The Canadian, Greek and Dutch representatives, however, expressed some reservations. The French ambassador did not express an opinion, but spoke in general terms about the necessity to prepare carefully the agenda for any summit meeting. (None of the representatives spoke from instructions, but their remarks doubtless reflect their governments' views.)

The Canadian representative said that his authorities believe holding a summit at the end of May would be premature if the primary purpose is to discuss the European security conference (CSCE). All the NATO members apparently share this opinion; since the agenda of the meeting will be broader, we assume that Ottawa will not oppose holding it at the time suggested.

The Greek ambassador had some more basic reservations: he expressed skepticism that a summit could produce substantive results. He pointed out that NATO is faced with a number of serious problems, and said he doubted that heads of government would be able to resolve these problems. The Greek warned that there would be a risk of disappointing the public that would expect more

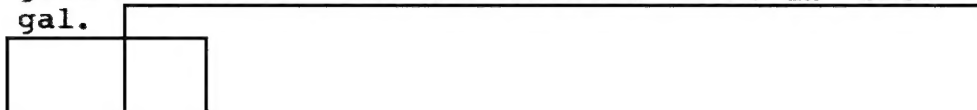
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than a repetition of "banalities." The Dutch representative indirectly indicated he shared the Greek ambassador's skepticism.

Secretary General Luns has requested that the ambassadors seek instructions for another discussion next week. We believe by that time all the NATO governments will have accepted in principle the idea of holding a summit--mainly because the US, UK, and West Germany are in favor of one. While a majority seem to favor a broad agenda, that in itself has some built in risks in view of the tensions between Greece and Turkey and NATO's general concern over the leftward drift in Portugal.



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Portuguese Parties Likely to Approve Military's
Demands

Most of Portugal's major political parties will probably accept the Armed Forces Movement's demands this week and formalize military dominance of the government for the next three to five years.

The more moderate political parties--the Socialists, the center-left Popular Democrats, the Monarchists, and the center-right Social Democratic Center--have serious misgivings about the Movement's "Platform for Understanding." They seem prepared, however, to sign the pact rather than risk being criticized as opponents of the Movement. These parties will try to salvage what they can from the coming elections in the hope that moderate forces can eventually push the Movement toward increased civilian control and curb Communist influence. Only five small extreme leftist parties have announced they will not sign.

The Popular Democrats and the Social Democratic Center met separately during the past week with leaders of the Armed Forces Movement to object to specific proposals. Each group came away with the impression that it may have succeeded in getting minor changes, but had no chance of convincing the Movement to accept major counter-proposals. The Social Democratic Center is particularly opposed to the indirect selection of the head of state and the excessive amount of power given to the Revolutionary Council, as provided for in the military's "pact."

Movement leaders have long been impatient with the inability of the parties to work together--which probably accounts in part for

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3 | the military's unwillingness to turn the government over to civilians for at least another three years. Admiral Rosa Coutinho, an influential member of the Revolutionary Council with an excellent chance to move into a top leadership position, told reporters last week that the parties were "too busy to lead the revolution" and were leaving the responsibility to the Movement, which is ill-equipped for the job.

3 | Coutinho suggested that a new party, a "civilian Armed Forces Movement" be formed to "exchange ideas, analyze the situation, and construct the future Portuguese socialism." As envisioned by Coutinho, the new party would encompass several parties that now cooperate with the Movement and would be ideologically situated between the Communists and the Socialists. There have been some indications that an effort to form such a party might be made after the April 25 election.

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1 | Meanwhile, the new government is concentrating on a solution for Portugal's economic problems. In a press conference last Tuesday, Prime Minister Goncalves announced that an emergency economic plan will be completed within three weeks which will curb rising unemployment and stabilize the cost of living. The moderate economic and social plan passed in January has been superceded by the sudden nationalization of banks and insurance companies in the aftermath of the abortive March 11 coup.

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16 | Goncalves also expressed his distrust of Western attitudes toward Portugal, warning of a possible economic boycott by nations that disapprove of the direction Portugal has taken. He cited the departure of several international businesses in the past year as evidence of the lack of support of Western countries for Portugal.

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EC Foreign Ministers To Meet

The Irish are convening an informal meeting of the EC foreign ministers this weekend for broad discussions on European problems.

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The meeting is patterned on one held last April without an agenda or supporting officials in attendance. The unstructured nature of the gathering contributed to the working out of the "Gymnich formula," which provided conditionally for consultations between the US and the Nine on political matters and closed a period of some acrimony on that topic. EC leaders also used that meeting to strengthen UK Foreign Minister Callaghan's appreciation of the political cooperation aspects of EC membership.

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The special feature of the approaching meeting, according to Irish plans, will be an exchange of ideas with Belgian Prime Minister Tindemans. He was charged late last year with drawing up a report on European union by the end of 1975. After Dublin, Tindemans will visit all the other EC capitals to hear ideas from labor and cultural leaders, strong advocates of European union, and government officials.

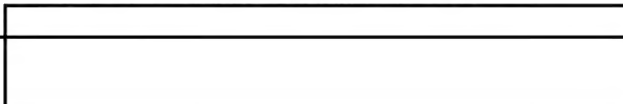
In addition, the Irish foreign minister will be seeking at the meeting an appraisal of Ireland's first three months in the EC presidency and a review of the work to be done in the remaining three months of its term. The Irish will use the informal nature of the meeting to encourage an accommodation of the agricultural protectionist problem raised by the French wine surplus. The EC agricultural ministers are to discuss Italy's complaint over the French import ban on wine at an extraordinary council in Brussels on April 15. Some observers in Brussels have feared the council could turn into a free-for-all.

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12 } The assembled foreign ministers will also
try to encourage the UK government in its effort
to win a favorable vote in its referendum on EC
membership on June 5.



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West German Cabinet to Consider Relations
with Poland

Leaders of West Germany's ruling Social Democratic-Free Democratic coalition will meet soon to discuss differences within the cabinet on the question of financial concessions to Poland. The main figures at question are the amount Bonn should pay for Polish World War II compensation claims and Warsaw's demands for higher trade credits.

In the past, the Poles have linked the emigration of ethnic Germans to large-scale German reparations payments of about \$250 million to the Polish victims of German concentration camps. Bonn has never been willing to pay the Polish price, fearing that agreement to make reparations payments to Poland would result in a flood of similar demands from other countries. Recently, however, Bonn has once again discussed with Warsaw the possibility of making lump-sum "pension" payments to Poland, which would meet the Polish demand for compensation while avoiding the "reparations" label.

Last month a high-level West German delegation headed by Economics Minister Friderichs visited Poland to discuss, among other things, ways to offset West Germany's growing trade surplus with Poland. The trade imbalance, which has increased from \$496 million in 1973 to over \$725 million in 1974, could lead Poland to restrict West German imports unless a way can be found to increase Polish sales to West Germany. Although

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4 | extremely interested in closer economic ties to West Germany, the Poles made it abundantly clear that improvement in the political relationship--the emigration-compensation issue--would have to precede cooperation in the economic field.

1 | On the purely economic issue Friderichs--who earlier opposed increased financial credits to Poland--now believes, after his talks in Warsaw, that Bonn will probably be unable to avoid increasing its earlier offer of a one billion mark (about \$445 million) credit. Warsaw has demanded \$1.3 billion. Chancellor Schmidt and Finance Minister Apel, however, still take a harder line on the issue. They have long believed that the nations of eastern Europe over-estimate the strength of the West German economy, and they feel that, in view of Bonn's current economic problems, the government is now less able than ever to afford liberal financial offers to Poland.

3
1 | At the same time, however, the Schmidt government is aware of public disappointment in West Germany over the lack of progress in Ostpolitik and is concerned about the growing pressure of economic problems on Polish leaders. Polish party leader Gierek has refused to reciprocate former Chancellor Brandt's visit to Warsaw in 1970 until the other questions are resolved. Both sides are interested in better relations but neither has been able politically or economically to take the necessary giant step. Schmidt and Gierek may try to get some mileage out of a bilateral meeting in Helsinki at the projected CSCE summit. This prospect is being discussed in Bonn, if not in Warsaw.

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Captured Spanish Fishing Vessels
Morocco Bound

A series of incidents between Moroccan patrol boats and Spanish fishing vessels is being treated with restraint by officials of both countries.

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During the past two weeks the Moroccan navy has seized nine Spanish fishing boats. On April 7 a Moroccan patrol boat towing two Spanish fishing boats was intercepted some 30 miles off the Moroccan coast by a Spanish destroyer and naval escort. The destroyer freed one of the boats, capturing two armed Moroccan seamen on board, but had to allow the other Spanish boat to be towed to a Moroccan port when the Moroccans threatened to shoot its captain.

1, 2

This incident has received heavy coverage in the Spanish media and the Spanish fishing organization--an important pressure group--can be expected to keep the pot boiling.

Spain and Morocco have other, more serious, bilateral problems and the restraint shown by the Spanish navy so far is a clear sign that Madrid does not want to exacerbate relations with Rabat over this issue. At the same time, extensive media coverage and public indignation over Morocco's high-handed actions will limit Madrid's options if the seizures continue.

1, 2

The long-standing fishing dispute between the two countries was officially resolved by an agreement reached in January of 1974. Spain did not recognize Morocco's claim to a 70-mile exclusive fishing zone, but did accept a jointly-owned Spanish - Moroccan fishing enterprise as the official organization for arranging Spanish fishing in the 70-mile zone. Up to 200 Spanish vessels were to be allowed to register with the company and fish in the waters claimed by Morocco.

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3 | Many of the 5,000-6,000 fishermen in southern Spain are unhappy with the agreement which would force them to leave their traditional fishing grounds or change from their subsistence fishing to a large company. Most of them operate old ships with old-fashioned methods and are reluctant to adopt modern commercial fishing practices. Government warnings about fishing in the 70-mile zone have been widely ignored.

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